

# CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

RECORDATION NO. 13877 Filed 1425

DEC 22 1982 -3 15 PM

INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

Borden, Inc.  
Lease Financing Dated as of December 1, 1982  
Floating Rate Conditional Sale Indebtedness  
Due 2003

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Borden, Inc., for filing and recordation counterparts of the following documents:

1. (a) Conditional Sale Agreement dated as of December 1, 1982, between ACF Sales Corporation, as Builder, and The Bank of New York, as Owner; and

(b) Agreement and Assignment dated as of December 1, 1982, between ACF Sales Corporation, as Builder, and La Salle National Bank, as Agent.

2. (a) Lease of Railroad Equipment dated as of December 1, 1982, between Borden, Inc., as Lessee, and The Bank of New York, as Owner; and

(b) Assignment of Lease and Agreement dated as of December 1, 1982, between The Bank of New York, as Owner, and La Salle National Bank, as Agent.

COUNSEL  
MAURICE T. MOORE  
FRANCIS F. RANDOLPH, JR.

TELEPHONE  
212 422-3000

TELEX  
RCA 233663  
WUD 125547  
WUI 620976

CABLE ADDRESSES  
CRAVATH, N. Y.  
CRAVATH, LONDON E. C. 2  
2 HONEY LANE, CHEAPSIDE  
LONDON EC2V 8ST, ENGLAND  
TELEPHONE: 1-606-1421  
TELEX: 6814901  
RAPIFAX/INFOTEC:  
1-606-1425

RALPH L. McAFEE  
HENRY W. DEKOSMIAN  
ALLEN F. MAULSBY  
STEWART R. BROSS, JR.  
HENRY P. RIORDAN  
JOHN R. HUPPER  
SAMUEL C. BUTLER  
WILLIAM J. SCHRENK, JR.  
BENJAMIN F. CRANE  
JOHN F. HUNT  
GEORGE J. GILLESPIE, III  
RICHARD S. SIMMONS  
WAYNE E. CHAPMAN  
THOMAS D. BARR  
MELVIN L. BEDRICK  
GEORGE T. LOWY  
ROBERT ROSENMAN  
JAMES H. DUFFY  
ALAN J. HRUSKA  
JOHN E. YOUNG  
JAMES M. EDWARDS  
DAVID G. ORMSBY  
DAVID L. SCHWARTZ  
RICHARD J. HIEGEL  
CHRISTINE BESHAR  
ROBERT S. RIFKIND

DAVID BOIES  
DAVID O. BROWNWOOD  
PAUL M. DODYK  
RICHARD M. ALLEN  
THOMAS R. BROME  
ROBERT D. JOFFE  
ROBERT F. MULLEN  
ALLEN FINKELSON  
RONALD S. ROLFE  
JOSEPH R. SAHID  
PAUL C. SAUNDERS  
MARTIN L. SENZEL  
DOUGLAS D. BROADWATER  
ALAN C. STEPHENSON  
RICHARD L. HOFFMAN  
JOSEPH A. MULLINS  
MAX R. SHULMAN  
WILLIAM P. DICKEY  
STUART W. GOLD  
JOHN W. WHITE  
JOHN E. BEERBOWER  
EVAN R. CHESLER  
PATRICIA GEOGHEGAN  
D. COLLIER KIRKHAM  
MICHAEL L. SCHLER

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INTERSTATE COMMERCE COMMISSION

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FEE OPERATION BR.  
I.C.C.  
NOTIFICATION BR.

*County*

*D.E. Allen*

The names and addresses of the parties to the  
aforementioned agreements are as follows:

1. Agent:

La Salle National Bank  
135 South La Salle Street  
Chicago, Illinois 60690

2. Owner:

The Bank of New York  
48 Wall Street  
New York, N.Y. 10015

3. Builder-Vendor:

ACF Sales Corporation  
750 Third Avenue  
New York, N.Y. 10017

4. Lessee:

Borden, Inc.  
277 Park Avenue  
New York, N.Y. 10172

Please file and record the documents referred to  
in this letter and index them under the names of the Agent,  
the Owner, the Builder-Vendor and the Lessee.

The equipment covered by the aforementioned  
document consists of the following:

100 5,701 cu. ft. lined covered hopper cars, AAR  
Mechanical Designation LO bearing the Lessee's  
identification numbers BCDX 5000-5099, both inclusive,  
and also bears the legend "Ownership Subject to a  
Security Agreement Filed with The Interstate Commerce  
Commission".

There is also enclosed a check for \$100 payable  
to the Interstate Commerce Commission, representing the fee  
for recording the Conditional Sale Agreement and related  
Agreement and Assignment (together constituting one  
document), and the Lease of Railroad Equipment and related  
Assignment of Lease and Agreement (together constituting one  
document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,

*Laurance V. Goodrich*

Laurance V. Goodrich  
as Agent for Borden, Inc.

Agatha L. Mergenovich, Secretary,  
Interstate Commerce Commission,  
Washington, D.C. 20423

Encls.

95A

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INTERSTATE COMMERCE COMMISSION

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[CS&M Ref. 4876-032]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of December 1, 1982

Between

THE BANK OF NEW YORK

and

LA SALLE NATIONAL BANK,  
as Agent.

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ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1982, between THE BANK OF NEW YORK, a New York corporation ("Owner"), and LA SALLE NATIONAL BANK, a national banking association, as agent ("Agent") under a Participation Agreement dated as of the date hereof ("Participation Agreement").

The Owner is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with ACF SALES CORPORATION ("Builder") providing for the conditional sale to the Owner by the Builder of such units of railroad equipment ("Units") described in Annex B to the CSA as are delivered to and accepted by the Owner thereunder.

BORDEN, INC. ("Lessee") and the Owner have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing by the Owner to the Lessee of the Units.

The Owner will assign certain of its rights under the Lease to the Agent in order to secure the obligations of the Owner under the CSA and as an inducement to the Investors (as defined in the Participation Agreement) to invest in the CSA Indebtedness (as defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The Owner hereby transfers and assigns to the Agent, as collateral security for the payment and performance of the obligations of the Owner under the CSA, all the Owner's right, title and interest, powers, privileges and other benefits under the Lease (except any amounts of indemnity payable to the Owner, any amounts payable to the Owner under § 19 of the Lease and any indemnity payments made pursuant to the Indemnity Agreement dated as of the date hereof between the Lessee and the Owner), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner from the Lessee under or pursuant to the provisions of the Lease, whether as rent, casualty payment, termination payment, liquidated damages or otherwise (such moneys called "Payments"), and the right, upon the happening of an Event of Default (as defined in the Lease), to make all waivers and agreements, to give all notices, consents and releases, to take all action specified

in the Lease and to do any and all other things whatsoever which the Owner is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Owner or as its attorney to demand, sue for, collect and receive any and all Payments to which the Owner is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof, and the Agent shall have the exclusive right to control any such proceedings to enforce compliance by the Lessee with all the terms and provisions of the Lease.

The Agent agrees to accept any Payments made by the Lessee for the account of the Owner pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Owner under the CSA then due and payable and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Owner on the same date such Payment is applied to satisfy such obligations of the Owner by bank wire of immediately available Federal funds to the Owner on such date at such address as may be specified to the Agent in writing, and such balance shall be retained by the Owner. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Owner at the address set forth in the Lease; provided, however, that the failure of the Agent to so notify the Owner shall not affect the obligations of the Owner hereunder or under the CSA.

Notwithstanding anything to the contrary contained herein or in the Participation Agreement or CSA, if the Agent shall obtain knowledge of any event of default under the CSA all amounts which, but for the provisions of this Assignment, would otherwise be distributable by the Agent to the Owner shall be held by the Agent for the benefit of the Owner and be invested for the account of the Owner in Permitted Investments (as hereinafter defined); provided, however, that the Agent shall not be liable for any loss resulting from any such investment. All such amounts held by the Agent for the benefit of the Owner together with any earnings thereon shall be released and distributed by the Agent to the Owner upon the discontinuance of the event of default. For purposes hereof, "Permitted Investments" shall mean direct obligations of the federal government of the United States of America maturing in not more than 30 days

or repurchase obligations of the Agent collateralized by such direct obligations. Any such investment may be sold by the Agent whenever necessary to make any distribution required by this Assignment.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Owner under the Lease. Notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against persons other than the Agent.

3. The Owner will faithfully perform each and every obligation, covenant and agreement which the Lease provides is to be performed by the Owner and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease. Any amendment, waiver, modification or termination of the Lease without the Agent's consent shall be void.

4. The Owner hereby constitutes the Agent the Owner's true and lawful attorney, irrevocably, with full power (in the name of the Owner or otherwise) to demand and receive all Payments due and to become due under or arising out of the Lease to which the Owner is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Owner under the CSA, this Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Owner. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Owner under the CSA have been fully discharged and satisfied and instruct

the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Owner will pay and discharge any and all liens, charges, security interests or other encumbrances (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Owner or its successors and assigns (other than the Agent), not arising out of the ownership of the equipment or the transactions contemplated by the CSA, the Participation Agreement or the Lease (but, including tax liens arising out of the receipt of the rentals and the other payments under the Lease and any other proceeds from the Units) or otherwise attributable to the actions or inactions of the Lessee or any person or entity acting on behalf of the Lessee which becomes a lien, charge, security interest or other encumbrance on or with respect to the Lease or such rentals or other payments equal or superior to the Agent's interest therein, unless the Lessee or the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Agent, materially adversely affects the interest of the Agent hereunder.

7. The Owner will from time to time execute, acknowledge and deliver any and all further instruments required by law or requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Assignment shall be governed by and construed in accordance with the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording, or depositing hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Assignment shall be filed, recorded or deposited or in which any Unit shall be located, and any rights arising out of the marking of the Units.



10. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Owner to the Agent by this Assignment, except the right to demand, sue for, collect, receive and apply the Payments as provided in Section 1 hereof, and the Owner may (if the Agent is not already doing so) exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Owner shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent.

11. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

THE BANK OF NEW YORK,

by

  
Assistant Vice President

[Corporate Seal]

Attest:

  
Assistant Secretary



LA SALLE NATIONAL BANK,  
as Agent,

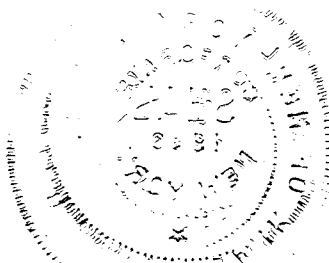
by

\_\_\_\_\_  
Vice President

[Seal]

Attest:

\_\_\_\_\_  
Assistant Secretary



STATE OF NEW YORK, )  
 ) ss.:  
COUNTY OF NEW YORK,)

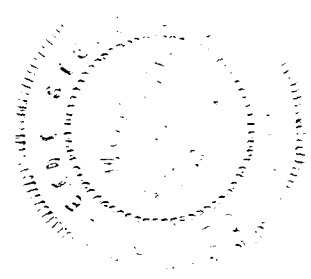
On this 21<sup>st</sup> day of December 1982, before me personally appeared Deborah E. Perkin's to me personally known, who, being by me duly sworn, says that she is an Assistant Vice President of THE BANK OF NEW YORK, a New York corporation, that one of the seals affixed to the foregoing instrument is the seal of said Corporation that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

  
Notary Public

[Notarial Seal]

My Commission expires

HEIDI SIEGELBAUM  
Notary Public, State of New York  
No. 44-4766742  
Qualified in Rockland County  
Commission Expires March 30, 1984



STATE OF ILLINOIS, )  
 ) ss.:  
COUNTY OF COOK, )

On this            day of December 1982, before me personally appeared            to me personally known, who, being by me duly sworn, says that he is a Vice President of LA SALLE NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires

## CONSENT AND AGREEMENT

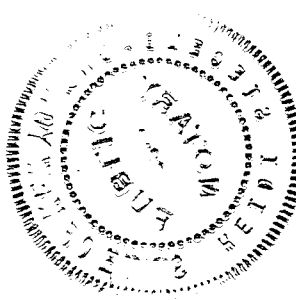
BORDEN, INC., a New Jersey corporation ("Lessee"), the lessee named in the Lease of Railroad Equipment ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Lease Assignment"), hereby acknowledges receipt of a copy of the Lease Assignment and consents to the lease assignment in accordance with the terms of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) payable under the Lease by bank wire transfer of Federal funds directly to LA SALLE NATIONAL BANK, as agent ("Agent"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Division (or at such other address as may be furnished in writing to the Lessee by the Agent), with a notation that the payment is for credit to Borden, Inc., Lease Financing Trust Account No. 61-5631-90-0;

(2) it shall not be entitled to any abatement of rent or additional rent reduction thereof or setoff against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Lessor under the Lease or under the CSA or against the Builder (as defined in the Lease Assignment) or the Agent or otherwise (provided that the foregoing shall not be deemed a waiver by the Lessee of its rights to pursue any past, present or future claims directly against the Builder or the Lessee's right to require the Owner to perform the Owner's obligations under the Documents (as defined in the Participation Agreement dated as of the date hereof));

(3) the Agent shall be entitled to the benefits of and to receive and enforce performance of all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Owner; and the Agent shall not by virtue of the Lease Assignment be or become subject to any liability or obligation under the Lease or otherwise; and

(4) without the prior written consent of the Agent, the Lease shall not be terminated or modified



(except as provided therein) nor shall any action be taken or omitted by the Lessee which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Agent and its successors and assigns under the laws of the State of New York, and for all purposes, shall be construed in accordance with the laws of said state.

BORDEN, INC.,

by

[Corporate Seal]

\_\_\_\_\_  
Executive Vice President

Attest:

\_\_\_\_\_  
Assistant Secretary

The foregoing Consent and Agreement is hereby accepted as of December 1, 1982.

LA SALLE NATIONAL BANK,

as Agent,

by

\_\_\_\_\_  
Vice President

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[CS&M Ref. 4876-032]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of December 1, 1982

Between

THE BANK OF NEW YORK

and

LA SALLE NATIONAL BANK,  
as Agent.

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ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1982, between THE BANK OF NEW YORK, a New York corporation ("Owner"), and LA SALLE NATIONAL BANK, a national banking association, as agent ("Agent") under a Participation Agreement dated as of the date hereof ("Participation Agreement").

The Owner is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with ACF SALES CORPORATION ("Builder") providing for the conditional sale to the Owner by the Builder of such units of railroad equipment ("Units") described in Annex B to the CSA as are delivered to and accepted by the Owner thereunder.

BORDEN, INC. ("Lessee") and the Owner have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing by the Owner to the Lessee of the Units.

The Owner will assign certain of its rights under the Lease to the Agent in order to secure the obligations of the Owner under the CSA and as an inducement to the Investors (as defined in the Participation Agreement) to invest in the CSA Indebtedness (as defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The Owner hereby transfers and assigns to the Agent, as collateral security for the payment and performance of the obligations of the Owner under the CSA, all the Owner's right, title and interest, powers, privileges and other benefits under the Lease (except any amounts of indemnity payable to the Owner, any amounts payable to the Owner under § 19 of the Lease and any indemnity payments made pursuant to the Indemnity Agreement dated as of the date hereof between the Lessee and the Owner), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner from the Lessee under or pursuant to the provisions of the Lease, whether as rent, casualty payment, termination payment, liquidated damages or otherwise (such moneys called "Payments"), and the right, upon the happening of an Event of Default (as defined in the Lease), to make all waivers and agreements, to give all notices, consents and releases, to take all action specified

in the Lease and to do any and all other things whatsoever which the Owner is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Owner or as its attorney to demand, sue for, collect and receive any and all Payments to which the Owner is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof, and the Agent shall have the exclusive right to control any such proceedings to enforce compliance by the Lessee with all the terms and provisions of the Lease.

The Agent agrees to accept any Payments made by the Lessee for the account of the Owner pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Owner under the CSA then due and payable and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Owner on the same date such Payment is applied to satisfy such obligations of the Owner by bank wire of immediately available Federal funds to the Owner on such date at such address as may be specified to the Agent in writing, and such balance shall be retained by the Owner. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Owner at the address set forth in the Lease; provided, however, that the failure of the Agent to so notify the Owner shall not affect the obligations of the Owner hereunder or under the CSA.

Notwithstanding anything to the contrary contained herein or in the Participation Agreement or CSA, if the Agent shall obtain knowledge of any event of default under the CSA all amounts which, but for the provisions of this Assignment, would otherwise be distributable by the Agent to the Owner shall be held by the Agent for the benefit of the Owner and be invested for the account of the Owner in Permitted Investments (as hereinafter defined); provided, however, that the Agent shall not be liable for any loss resulting from any such investment. All such amounts held by the Agent for the benefit of the Owner together with any earnings thereon shall be released and distributed by the Agent to the Owner upon the discontinuance of the event of default. For purposes hereof, "Permitted Investments" shall mean direct obligations of the federal government of the United States of America maturing in not more than 30 days



or repurchase obligations of the Agent collateralized by such direct obligations. Any such investment may be sold by the Agent whenever necessary to make any distribution required by this Assignment.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Owner under the Lease. Notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against persons other than the Agent.

3. The Owner will faithfully perform each and every obligation, covenant and agreement which the Lease provides is to be performed by the Owner and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease. Any amendment, waiver, modification or termination of the Lease without the Agent's consent shall be void.

4. The Owner hereby constitutes the Agent the Owner's true and lawful attorney, irrevocably, with full power (in the name of the Owner or otherwise) to demand and receive all Payments due and to become due under or arising out of the Lease to which the Owner is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Owner under the CSA, this Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Owner. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Owner under the CSA have been fully discharged and satisfied and instruct

the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Owner will pay and discharge any and all liens, charges, security interests or other encumbrances (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Owner or its successors and assigns (other than the Agent), not arising out of the ownership of the equipment or the transactions contemplated by the CSA, the Participation Agreement or the Lease (but, including tax liens arising out of the receipt of the rentals and the other payments under the Lease and any other proceeds from the Units) or otherwise attributable to the actions or inactions of the Lessee or any person or entity acting on behalf of the Lessee which becomes a lien, charge, security interest or other encumbrance on or with respect to the Lease or such rentals or other payments equal or superior to the Agent's interest therein, unless the Lessee or the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Agent, materially adversely affects the interest of the Agent hereunder.

7. The Owner will from time to time execute, acknowledge and deliver any and all further instruments required by law or requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Assignment shall be governed by and construed in accordance with the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording, or depositing hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Assignment shall be filed, recorded or deposited or in which any Unit shall be located, and any rights arising out of the marking of the Units.

10. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Owner to the Agent by this Assignment, except the right to demand, sue for, collect, receive and apply the Payments as provided in Section 1 hereof, and the Owner may (if the Agent is not already doing so) exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Owner shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent.

11. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

THE BANK OF NEW YORK,

by

[Corporate Seal]

\_\_\_\_\_  
Assistant Vice President

Attest:

\_\_\_\_\_  
Assistant Secretary

LA SALLE NATIONAL BANK,

as Agent,


by



Vice President

[Seal]

Attest:

  
Assistant Secretary

STATE OF NEW YORK, )  
 ) ss.:  
COUNTY OF NEW YORK,)

On this       day of December 1982, before me personally appeared  
to me personally known, who, being by me duly sworn, says  
that he is an Assistant Vice President of THE BANK OF NEW  
YORK, a New York corporation, that one of the seals affixed  
to the foregoing instrument is the seal of said Corporation  
that said instrument was signed and sealed on behalf of said  
Corporation by authority of its Board of Directors and he  
acknowledged that the execution of the foregoing instrument  
was the free act and deed of said Corporation.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS, )  
 ) ss.:  
COUNTY OF COOK, )

On this 21<sup>st</sup> day of December 1982, before me personally appeared  
to me personally known, who, being by me duly sworn, says  
that he is a Vice President of LA SALLE NATIONAL BANK, a  
national banking association, that one of the seals affixed  
to the foregoing instrument is the seal of said national  
banking association, that said instrument was signed and  
sealed on behalf of said national banking association by  
authority of its Board of Directors and he acknowledged that  
the execution of the foregoing instrument was the free act  
and deed of said national banking association.

*Patricia M. Kennedy*  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires

My Commission Expires August 24, 1986

## CONSENT AND AGREEMENT

BORDEN, INC., a New Jersey corporation ("Lessee"), the lessee named in the Lease of Railroad Equipment ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Lease Assignment"), hereby acknowledges receipt of a copy of the Lease Assignment and consents to the lease assignment in accordance with the terms of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) payable under the Lease by bank wire transfer of Federal funds directly to LA SALLE NATIONAL BANK, as agent ("Agent"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Division (or at such other address as may be furnished in writing to the Lessee by the Agent), with a notation that the payment is for credit to Borden, Inc., Lease Financing Trust Account No. 61-5631-90-0;

(2) it shall not be entitled to any abatement of rent or additional rent reduction thereof or setoff against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Lessor under the Lease or under the CSA or against the Builder (as defined in the Lease Assignment) or the Agent or otherwise (provided that the foregoing shall not be deemed a waiver by the Lessee of its rights to pursue any past, present or future claims directly against the Builder or the Lessee's right to require the Owner to perform the Owner's obligations under the Documents (as defined in the Participation Agreement dated as of the date hereof));

(3) the Agent shall be entitled to the benefits of and to receive and enforce performance of all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Owner; and the Agent shall not by virtue of the Lease Assignment be or become subject to any liability or obligation under the Lease or otherwise; and

(4) without the prior written consent of the Agent, the Lease shall not be terminated or modified

(except as provided therein) nor shall any action be taken or omitted by the Lessee which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Agent and its successors and assigns under the laws of the State of New York, and for all purposes, shall be construed in accordance with the laws of said state.

BORDEN, INC.,

by

[Corporate Seal]

\_\_\_\_\_  
Executive Vice President

Attest:

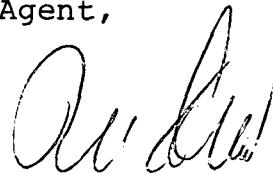
\_\_\_\_\_  
Assistant Secretary

The foregoing Consent and Agreement is hereby accepted as of December 1, 1982.

LA SALLE NATIONAL BANK,

as Agent,

by



\_\_\_\_\_  
Vice President

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[CS&M Ref. 4876-032]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of December 1, 1982

Between

THE BANK OF NEW YORK

and

LA SALLE NATIONAL BANK,  
as Agent.

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ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1982, between THE BANK OF NEW YORK, a New York corporation ("Owner"), and LA SALLE NATIONAL BANK, a national banking association, as agent ("Agent") under a Participation Agreement dated as of the date hereof ("Participation Agreement").

The Owner is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with ACF SALES CORPORATION ("Builder") providing for the conditional sale to the Owner by the Builder of such units of railroad equipment ("Units") described in Annex B to the CSA as are delivered to and accepted by the Owner thereunder.

BORDEN, INC. ("Lessee") and the Owner have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing by the Owner to the Lessee of the Units.

The Owner will assign certain of its rights under the Lease to the Agent in order to secure the obligations of the Owner under the CSA and as an inducement to the Investors (as defined in the Participation Agreement) to invest in the CSA Indebtedness (as defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The Owner hereby transfers and assigns to the Agent, as collateral security for the payment and performance of the obligations of the Owner under the CSA, all the Owner's right, title and interest, powers, privileges and other benefits under the Lease (except any amounts of indemnity payable to the Owner, any amounts payable to the Owner under § 19 of the Lease and any indemnity payments made pursuant to the Indemnity Agreement dated as of the date hereof between the Lessee and the Owner), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner from the Lessee under or pursuant to the provisions of the Lease, whether as rent, casualty payment, termination payment, liquidated damages or otherwise (such moneys called "Payments"), and the right, upon the happening of an Event of Default (as defined in the Lease), to make all waivers and agreements, to give all notices, consents and releases, to take all action specified

in the Lease and to do any and all other things whatsoever which the Owner is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Owner or as its attorney to demand, sue for, collect and receive any and all Payments to which the Owner is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof, and the Agent shall have the exclusive right to control any such proceedings to enforce compliance by the Lessee with all the terms and provisions of the Lease.

The Agent agrees to accept any Payments made by the Lessee for the account of the Owner pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Owner under the CSA then due and payable and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Owner on the same date such Payment is applied to satisfy such obligations of the Owner by bank wire of immediately available Federal funds to the Owner on such date at such address as may be specified to the Agent in writing, and such balance shall be retained by the Owner. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Owner at the address set forth in the Lease; provided, however, that the failure of the Agent to so notify the Owner shall not affect the obligations of the Owner hereunder or under the CSA.

Notwithstanding anything to the contrary contained herein or in the Participation Agreement or CSA, if the Agent shall obtain knowledge of any event of default under the CSA all amounts which, but for the provisions of this Assignment, would otherwise be distributable by the Agent to the Owner shall be held by the Agent for the benefit of the Owner and be invested for the account of the Owner in Permitted Investments (as hereinafter defined); provided, however, that the Agent shall not be liable for any loss resulting from any such investment. All such amounts held by the Agent for the benefit of the Owner together with any earnings thereon shall be released and distributed by the Agent to the Owner upon the discontinuance of the event of default. For purposes hereof, "Permitted Investments" shall mean direct obligations of the federal government of the United States of America maturing in not more than 30 days

or repurchase obligations of the Agent collateralized by such direct obligations. Any such investment may be sold by the Agent whenever necessary to make any distribution required by this Assignment.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Owner under the Lease. Notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against persons other than the Agent.

3. The Owner will faithfully perform each and every obligation, covenant and agreement which the Lease provides is to be performed by the Owner and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease. Any amendment, waiver, modification or termination of the Lease without the Agent's consent shall be void.

4. The Owner hereby constitutes the Agent the Owner's true and lawful attorney, irrevocably, with full power (in the name of the Owner or otherwise) to demand and receive all Payments due and to become due under or arising out of the Lease to which the Owner is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Owner under the CSA, this Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Owner. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Owner under the CSA have been fully discharged and satisfied and instruct

the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Owner will pay and discharge any and all liens, charges, security interests or other encumbrances (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Owner or its successors and assigns (other than the Agent), not arising out of the ownership of the equipment or the transactions contemplated by the CSA, the Participation Agreement or the Lease (but, including tax liens arising out of the receipt of the rentals and the other payments under the Lease and any other proceeds from the Units) or otherwise attributable to the actions or inactions of the Lessee or any person or entity acting on behalf of the Lessee which becomes a lien, charge, security interest or other encumbrance on or with respect to the Lease or such rentals or other payments equal or superior to the Agent's interest therein, unless the Lessee or the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Agent, materially adversely affects the interest of the Agent hereunder.

7. The Owner will from time to time execute, acknowledge and deliver any and all further instruments required by law or requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Assignment shall be governed by and construed in accordance with the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording, or depositing hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Assignment shall be filed, recorded or deposited or in which any Unit shall be located, and any rights arising out of the marking of the Units.

10. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Owner to the Agent by this Assignment, except the right to demand, sue for, collect, receive and apply the Payments as provided in Section 1 hereof, and the Owner may (if the Agent is not already doing so) exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Owner shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent.

11. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

THE BANK OF NEW YORK,

by

[Corporate Seal]

\_\_\_\_\_  
Assistant Vice President

Attest:

\_\_\_\_\_  
Assistant Secretary

LA SALLE NATIONAL BANK,

as Agent,

by

\_\_\_\_\_  
Vice President

[Seal]

Attest:

\_\_\_\_\_  
Assistant Secretary

STATE OF NEW YORK, )  
 ) ss.:  
COUNTY OF NEW YORK,)

On this                    day of December 1982, before me personally appeared                    , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of THE BANK OF NEW YORK, a New York corporation, that one of the seals affixed to the foregoing instrument is the seal of said Corporation that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS, )  
 ) ss.:  
COUNTY OF COOK, )

On this                    day of December 1982, before me personally appeared                    , to me personally known, who, being by me duly sworn, says that he is a Vice President of LA SALLE NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

## CONSENT AND AGREEMENT

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(2) it shall not be entitled to any abatement of rent or additional rent reduction thereof or setoff against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Lessor under the Lease or under the CSA or against the Builder (as defined in the Lease Assignment) or the Agent or otherwise (provided that the foregoing shall not be deemed a waiver by the Lessee of its rights to pursue any past, present or future claims directly against the Builder or the Lessee's right to require the Owner to perform the Owner's obligations under the Documents (as defined in the Participation Agreement dated as of the date hereof));

(3) the Agent shall be entitled to the benefits of and to receive and enforce performance of all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Owner; and the Agent shall not by virtue of the Lease Assignment be or become subject to any liability or obligation under the Lease or otherwise; and

(4) without the prior written consent of the Agent, the Lease shall not be terminated or modified

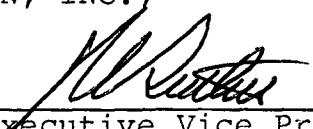


(except as provided therein) nor shall any action be taken or omitted by the Lessee which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Agent and its successors and assigns under the laws of the State of New York, and for all purposes, shall be construed in accordance with the laws of said state.

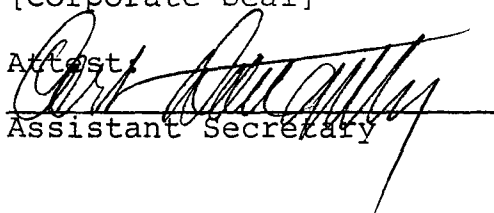
BORDEN, INC.

by

  
Executive Vice President

[Corporate Seal]

Attest:

  
Assistant Secretary

The foregoing Consent and Agreement is hereby accepted as of December 1, 1982.

LA SALLE NATIONAL BANK,

as Agent,

by

\_\_\_\_\_  
Vice President